

Consumer Insights to Enhance Retail Strategy

Brian Berlin

EPG Specialty Information

Drilling for Insights...

Data is plentiful, but noisy

Data can generate volumes of useful
information

Insights are rare



DATA

INFORMATION

INSIGHT



It takes a lot of Information to
generate the value of an insight



A real insight can be a
game changer

What is an insight?

Insight is the key to making better decisions. By understanding the why behind the what, you can make more informed choices that are more likely to lead to success.



*The capacity to
gain an
accurate and
deep intuitive
understanding
of a person or
thing.*

- Insights are actionable
- They can be used to make predictions, solve problems, or make better decisions

Information

Factual

Static

Objective

Insight

Interpretative

Dynamic

Subjective

Each Tier of Beverage Alcohol has different applications of Information and Insights



Suppliers: Information & Insights Priorities

Generally focused on one category, like Spirits or Beer

Sales Analysis	Predictive Analysis	Measuring Advertising Effectiveness	Consumer Knowledge
POS Data Reporting & Analytics Depletion Data Reporting & Analytics Trade Organization Data	Price Elasticity Promotional Lift Industry Volume Forecasts Product Recommendation Engines Digital Media Placement	Concept testing for new advertising Marketing Mix	Consumer Personas Consumer Need States Market Structure Brand Health Shopper and Commercial insights Social Listening

Distributors: Information & Insights Priorities

Massive and detailed datasets built from multi-supplier depletion invoices provides them with powerful analytic capabilities.

Sales Analysis	Predictive Analysis	Consumer Knowledge
Depletion Data Reporting & Analytics POS Data Reporting & Analytics	Industry Volume Forecasts Promotional Lift Product Recommendation Engines	Partnerships with Suppliers to run consumer projects

Retailers: Information & Insights Priorities

Face to face interactions with your customers is hard to beat but can be enhanced with other sources.

Sales Analysis	Consumer Knowledge
POS Data Reporting & Analytics	Social Listening
Shopper Loyalty Cards	Partnerships with Suppliers to occasionally run consumer projects

Information & Insights can positively impact a retailer's operations across nearly every commercial function

Business Function	Insights Objectives
Product Assortment	Brand variety, pack size options, category and price tier variety.
Shelf Sets / Planograms	Category space & adjacencies. Brand shelf position, adjacencies, and space.
Brand Programming	Brand and pack programming priorities. Program delivery (display, feature ads, price, digital messaging, experiential)
Private Label	Category and Price Tier Priorities, Flavor Selection
Procurement	Distributor & Supplier negotiations
Digital Storefront	Site design, search optimization
Digital Marketing	Customer segmentation, brand inclusion, messaging

BevAl Consumption in the U.S



*Over 170 million
adults who drink
Beverage Alcohol*



*Spending over \$250
Billion a year on the
category*

Sources: US Census & Statistica

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Beverage Alcohol Trip Drivers



Replenish



Party



Gift

The IMBIBE Consumer Insights Project

Objectives:

- *Provide industry suppliers, distributors, and retailers with a deeper understanding of the American drinker.*
- *Segment drinkers into specific Personas with similar drinking motivations and behaviors.*
- *Assist industry in making more informed decisions and developing better consumer facing programs.*

Survey Type:

Online Survey

Number of
Respondents:

Over 2,000 beverage alcohol
consumers

Survey Timing:

Q4'2022

CONNECT.
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Six BevAl Drinking Personas

Casual Drinker



Moderate
Socializer



Value Seeking
Beer Enthusiast



Aspirational
Urbanite



American Drinker



Affluent Urban
Adventurer



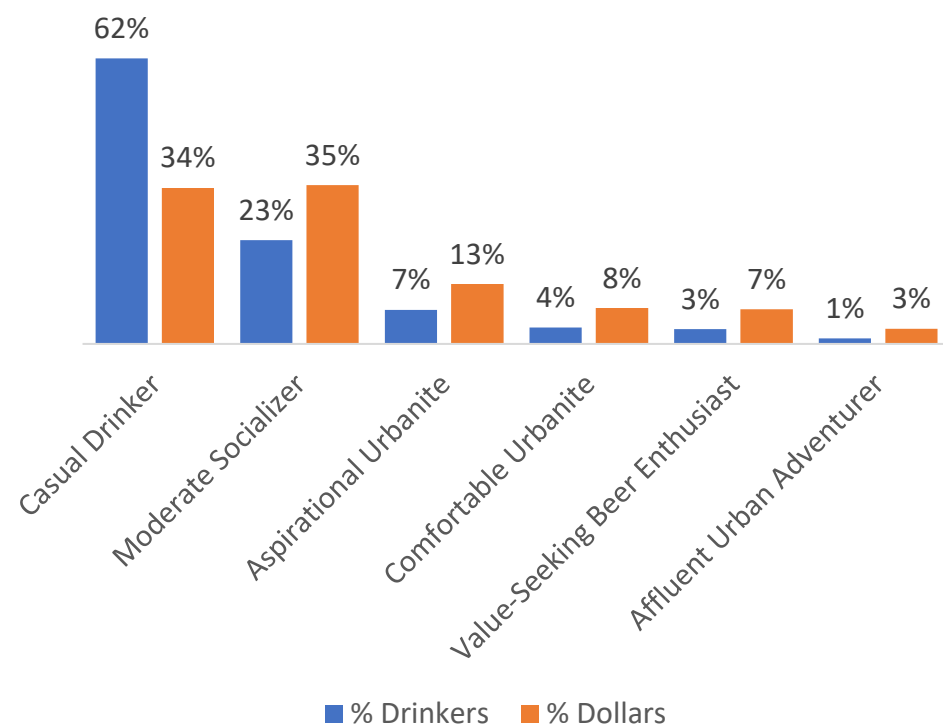
Comfortable
Urbanite



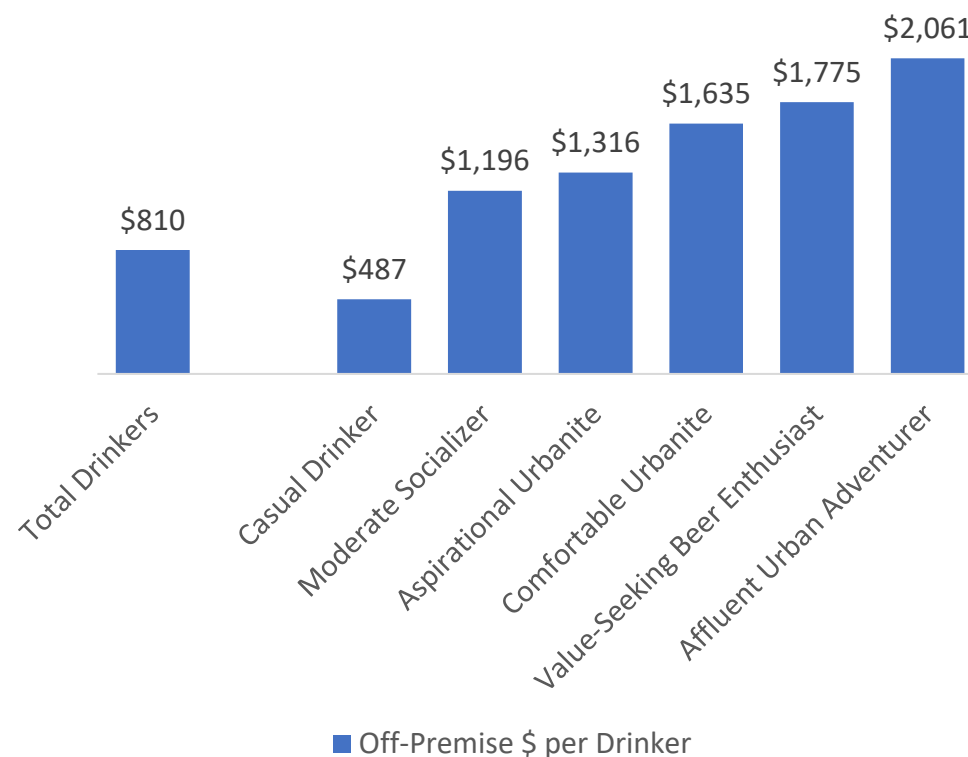
Persona Size & Spend

- The largest persona by number of drinkers is the Casual Drinker
- The Moderate Socializer persona has the highest aggregate spend
- The Affluent Urban Adventurer, the smallest persona by drinkers, spends the most per person

Personas Percent of Drinkers and Annual Dollars Spent



Off-Premise \$ per Drinker



Moderate Socializers are different than the regular American Drinker

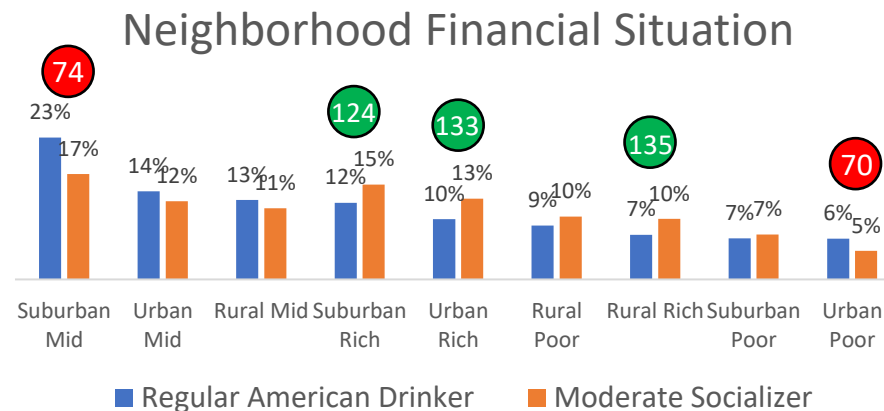
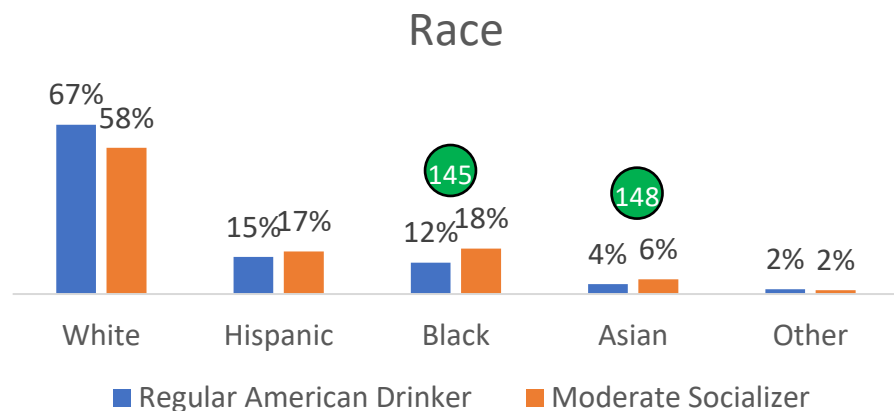
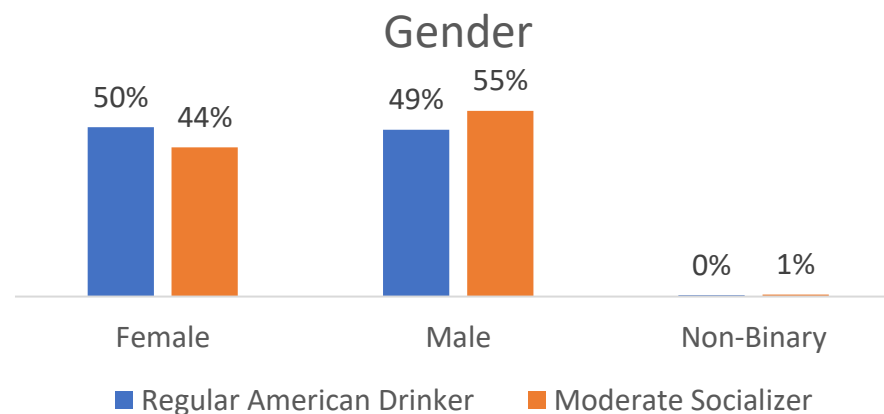
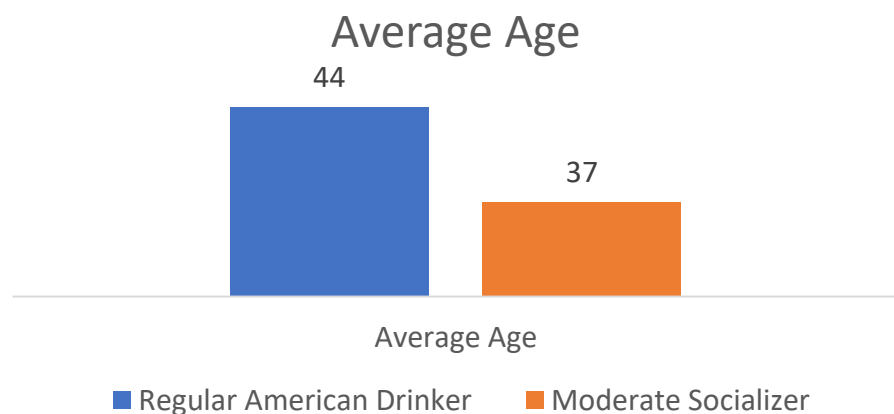


Moderate
Socializer

The Regular American Drinker	Moderate Socializer
Drinks to relax, enhance a meal, and connect with friends.	Beverage Alcohol helps them connect with friends and family, deal with life's stress, and improve social skills.
Live across urban, suburban, and rural neighborhoods	Lives across Urban, Suburban, and Rural neighborhoods, but skews towards higher income areas.
Mid to high income households.	Tends to be higher income than the average household

Demographics of the Moderate Socializer

- Slightly younger than the Regular American Drinker, but still older than the target consumer of most brands.
- They are a bit more male than female.
- A diverse group of drinkers with strong representation across race, especially Black and Asian
- Strong skew towards higher income in Suburban, Urban, and Rural neighborhoods



Reasons They Drink

The Top Reasons They Drink

Regular American Drinker	Moderate Socializer
1. Relaxation	1. Relaxation (1)
2. Enhances my food	2. Relieve stress from my family / children (2)
3. Relieve stress from my family / children	3. Connect with people / Improves intimacy (7)
4. Just like to have a “drink” in my hand / feels familiar	4. Gets me through life (5)
5. Gets me through life	5. Enhances my food (2)

The Most Differentiated Reasons

1. Makes me look successful
2. Connect with people / Improves intimacy
3. Makes me feel cool

Impact on Decision Making

- **Assortment**: Stock premium brands
- **Planograms**: Highlight premium brands with extra space on the best shelves
- **Brand Programming**: Work with Distributors to choose premium brands promoting consumers socializing and status

What do they do while they drink?

Top Drinking Occasions

Regular American Drinker	Moderate Socializer
1. On vacation	1. On vacation
2. Holidays or special events with family & friends	2. Holidays or special events with family & friends
3. At a barbecue or picnic	3. At a barbecue or picnic
4. When I am at a restaurant	4. When I am at a restaurant
5. Out on the town	5. During happy hour (6)

The Most Differentiated Occasions

1. On a business trip
2. Playing sports or outdoor activities
3. At home playing video games or other games
4. Streaming video or audio

Impact on Decision Making

- **Brand Programming**: Run Sports themed promotions and tie-ins to Gaming and Streaming platforms

Product Attributes looked for?

Top Product Attributes

Regular American Drinker	Moderate Socializer
1. My favorite brand	1. My favorite brand
2. Easily available to purchase	2. Easily available to purchase
3. I can consume frequently	3. I can consume frequently
4. Availability of deals & promotions	4. Flavors, such as lime, strawberry, etc. (6)
5. Lowest price	5. Makes a good gift (8)

The Most Differentiated Attributes

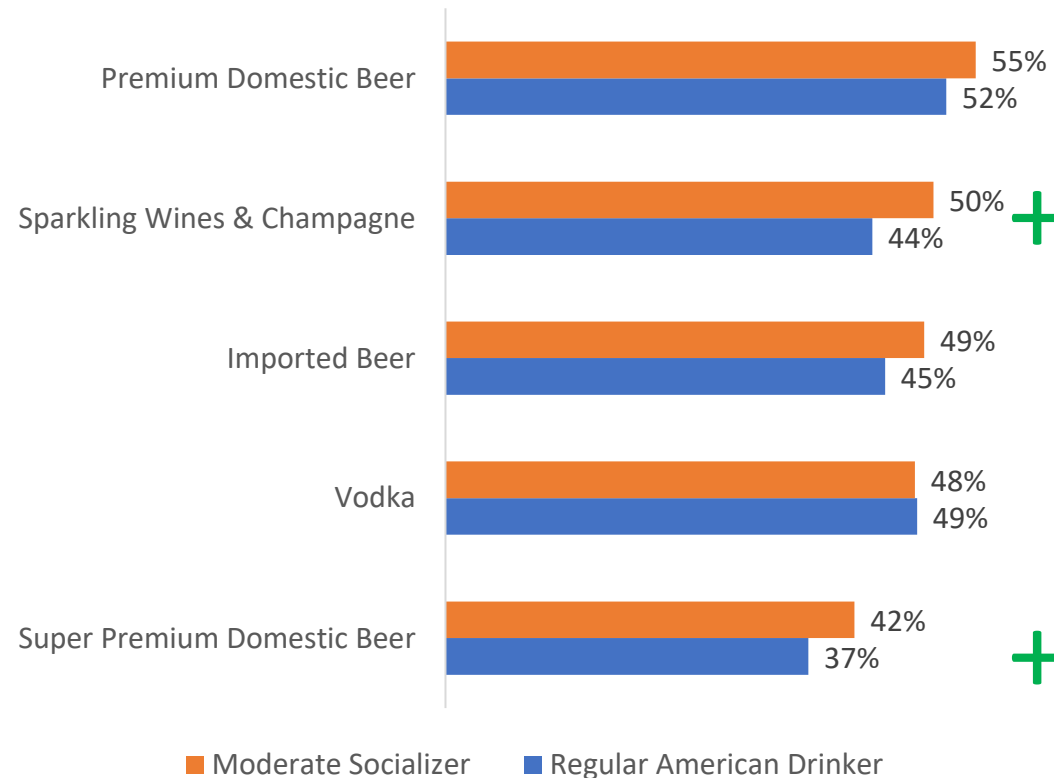
1. Celebrity endorsement
2. Internet recommendations

Impact on Decision Making

- **Assortment**: Carry a wide selection of sizes of the most popular brands and take new flavors of popular Premium brands.
- **Brand Programming**: Seek promotions from brands that have a celebrity tie-in.

Category Penetration

Category % Penetration



+ Highest Index

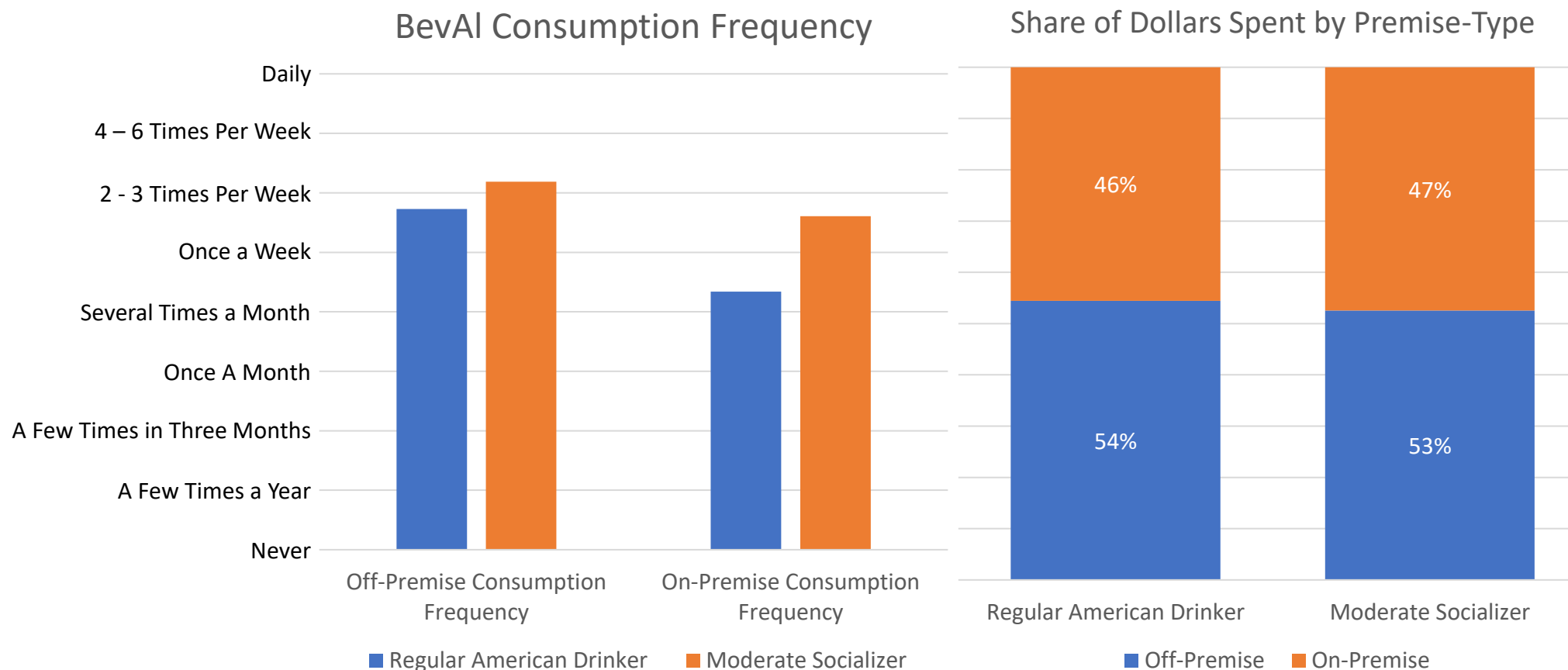
Impact on Decision Making

- **Assortment:**
 - Moderate Socializers are like the regular American Drinker in many ways. Carry top brands from all categories
 - Add some extra space for Sparkling Wines/Champagne and Super Premium Domestic Beer
- **Brand Programming**
 - Build floor displays of Sparkling Wines near leading Premium Domestic Beers

Consumption Frequency & \$ Spend By Premise Type

Impact on Decision Making

- **Assortment**: Work with distributors to understand most popular and highest growth on-premise brands – ensure you have them on the shelf.



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Favorite Cocktails On Premise

Impact on Decision Making

- **Assortment**: Favorite cocktails on premise is a good place to start when deciding assortment. In Spirits, focus on Tequila, Vodka, and Rum, but also Gin, Cordials, and Sparkling Wines.

Regular American Drinker – Highest % Penetration On-Premise Cocktails

Margarita

Bloody Mary

Daiquiri

Pina Colada

Long Island
Iced Tea

Moderate Socializer – Highest % Penetration On-Premise Cocktails

Margarita

Bloody Mary

Daiquiri

Pina Colada

Long Island
Iced Tea

Highest Indexing On-Premise Cocktails

Dark & Stormy

Negroni

Martini Vodka

Bellini

Espresso
Martini

How they shop Online

Regular American Drinker

- Online order for pick-up at the store
- Membership in a Wine or other alcoholic beverage club
- Delivery company (Instacart, Drizly, Uber, etc.)
- Direct from the manufacturer's own website

Moderate Socializer

- Online order for pick-up at the store
- **Delivery company (Instacart, Drizly, Uber, etc.)**
- Membership in a Wine or other alcoholic beverage club
- Direct from the manufacturer's own website

Wrap Up

- Tap into your Distributor network to gather information and insights from outside of your internal systems
 - What are the top BevAl trends in your market?
 - Which brands are growing the fastest outside of your stores?
 - What is happening in the On-Premise that could work in your stores?
- Consumer & Shopper Insights will have the biggest impact on your Assortment, Shelf Set, and Brand Programming Decisions.
- Decide which Personas are most critical to your volume and growth, then work with your distributors to stock appealing brands and run high impact programs.